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Federal Communications Commission

Washington, DC 20554

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Comment on MM Docket Nos. 94-149 and 91-140 (Policies and Rules Regarding Minority and Female Ownership of Mass Media Facilities)

The Conservative Caucus, Inc., wishes to express its opposition to the proposed regulations concerning minority and female ownership of mass media facilities. The Commission's Notice of Proposed Rulemaking speaks of alleged underrepresentation of women and minorities, comparing their share of ownership with their proportion of the workforce. However, there is no rational justification for assuming a correlation between these two.

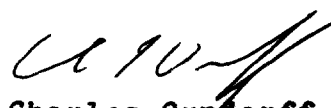
Successful and continued ownership of mass media requires certain abilities and skills. Unless these abilities and skills are evenly distributed through the population, there is no reason to expect the correlation used by the Commission as its standard of judgment.

If regulation is used to artificially increase ownership by minorities and women, it will not necessarily lead to a substantial long-term increase. Some will quickly sell their interest, cashing in on the special advantage they have received. Others, unable to successfully manage an enterprise which they could never have obtained under the free market, will find themselves forced out of business by economic reality (unless the Commission plans to provide long-term subsidies).

Furthermore, the Commission cites a belief that more diverse ownership is needed in order to "enhance the diversity of viewpoints presented" in broadcasting. The reasoning behind this is too doubtful to serve as the basis for public policy. As the Commission itself admits, it has "failed to show a nexus between women's ownership of broadcast stations and diversity of programming." Although the Commission claims that such diversity has been promoted by minority ownership, this is refuted by studies discussed on page S4536-37 of the Congressional Record of March 24.

However, even more important than these practical arguments is the principle involved. The free market will tend to produce broadcasting that is owned by those best able to provide, at an affordable price, what the viewing audience wants. No government agency should intervene in favor of some groups selected because of their political power. No one who has the skills to succeed should be handicapped by government support for a less qualified competitor.

Instead of discussing additional regulations, the Commission should recommend that Congress repeal all legislation underlying existing special preference regulation.



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